COMMERCIAL ASSET VISIBILITY, PHASE II (CAV II)

STATEMENT OF WORK (SOW)

1 OCTOBER 1998

1. <u>OBJECTIVE</u>. CAV II has been designed to allow a wide range of transaction reporting, eliminate financial/inventory imbalances, operate in a fully automated mode, and provide specific reparable tracking and accountability while material is at a commercial contractor. CAV II also provides the means to track material in transit to and from a commercial contractor and allow daily transaction reporting while minimizing workload impacts on the contractor. CAV II allows the commercial contractor to report in the same manner as an organic facility.

2. <u>SCOPE</u>. The following actions are to be reported by commercial contractor:

    a. Receipt:

        (1) Material on contract.

        (2) Material not on contract.

        (3) Rotable Pool/Loaned Material.
            (Not used by U.S. Army contractors)

    b. Skeletonized Reports of Discrepancy (RODs).

    c. Induction into repair.

    d. Awaiting piece parts.

    e. Reinduction into repair.

    f. Print bar-coded 1348-1A shipping document

    g. Beyond Economical Repair (BER)/Maintenance Expenditure Limit (MEL) Request.

    h. Survey/Scrap.

    i. Completion of repair.

j. Shipment of:

    (1) Repaired material - On contract.

    (2) Non-repaired material - On contract.

    (3) Material not on contract.

    (4) Government Furnished Material (GFM)

    (5) Rotable Pool/Loaned Material.

k. Proof of shipment (POS).

l. Reversals and corrected submission of transactions.

3. <u>METHOD</u>. There are twelve basic types of transactions that must be reported under CAV II: receipts, skeletonized RODs, inductions, awaiting piece parts, reinductions, 1348-1A shipping document, BER/MEL notification, requests for survey/scrap, completions, shipments, proof of shipment, and reversals. The specific type of transactions available in these twelve basic categories are explained below.

The key to CAV II reporting is the unique document number assigned to each reparable. This unique document number is called the Repair Cycle Document Number (RCDN) and is used to identify a specific asset and allows it to retain it's identity throughout the repair process. Upon input of the receipt transaction into the P.C., the CAV II software will assign an RCDN to each reparable. This document number consists of 14 characters. **Characters 1 through 6 are the contracts unique DODAAC, characters 7 through 10 are the Julian date of the transaction, and characters 11 through 14 are sequential serial numbers** (example: CHOABC-6001-0001). The receipt will be entered into the CAV II software using the source document number identified on the packing slip, the National Item Identification Number (NIIN) actually received, and the quantity actually received. For example, upon receipt of three each assets, the contractor will enter a receipt transaction for a quantity of three each, and the CAV system will create three new document numbers or RCDNs. CAV II requires that the contractor maintain the unique identity (record) for each asset on hand. If desired, each one of these records may be printed on a separate Material Movement Document (MMD) or Material Label(ML), enclosure 1. More specific guidance on the uses of MMD/ML is contained in subparagraph 3a(1). All subsequent transactions require either this unique document number (RCDN) or the contractor's cross reference number to be entered prior to process updates. Throughout the remainder of this SOW, the new document number created at time of receipt will be referred to as the RCDN. The following actions are to be reported by the contractor:

a. Receipt:

(1) Receipt/Material on Contract ("F" Condition Code). Receipt of material from the Army Supply System is listed in the contract for repair at the contractor's facility. A unique document number, RCDN, will be created from the receipt transaction for each reparable received. At the same time an MMD/ML may be created for each RCDN. During the initial CAV II implementation, the MMD/ML MUST BE PHYSICALLY ATTACHED TO ALL ARMY OWNED ASSETS ON HAND AT THE COMMERCIAL REPAIR FACILITY. IF NOTED ASSET HAS BEEN TRANSFERRED TO A VENDOR OR ANOTHER PLACE OF PERFORMANCE, THEN THE MMD/ML MUST BE MATCHED UP WITH THE APPROPRIATE REPARABLE SHIPPING DOCUMENTATION. After implementation is complete and the U.S. Army Major Subordinate Command (MSC) has received a good transmission, the requirement to tag material with an MMD/ML is optional. A cross referencing system will permit the contractor to utilize their own internal asset control number/work order number for access of each RCDN. The contractor must be able to provide the RCDN for a specific asset upon Government request. Information required by the contractor during receipt process includes: unique contract DODAAC; Source/Receipt Document Number; NIIN; Routing Identifier Code (RIC)from where material was shipped, i.e., BR4 (Red River Army Depot), AN5 (New Cumberland Army Depot); unit of issue (UI); quantity received; contract number; material receipt date; delivery order (DO) number; order award date; and CLIN.

(2) Receipt/Material Not on Contract ("J" Condition Code). Report receipt of any material from the Army Supply System or directly from the user which is **NOT** a candidate for induction and repair. Examples are: overages/misdirected assets, PQDR/EIR exhibits, warranted items, and excess/residual inventory. The owning wholesale activity/MSC or it's designated representative will provide disposition instructions for this type of material.

(3) Receipt/Rotable Pool/Loaned Material. **(This transaction is not used by U.S. Army Contractors.)** Rotable pool assets are "A" condition, "V" purpose code assets, reserved at a repair facility, to be used in support of repair of an end item or next higher assembly. These assets are maintained on the MSC's inventory records and may be used for issue as required. Typically, pool assets are used as follows:

(a) A "next higher" assembly is shipped to the repair facility in "F" condition and designated for repair.

(b) One of the major components within the higher assembly is also a repairable unit and needs repair with the higher assembly. This component is a rotable pool.

(c) To speed up the repair cycle, and reduce repair turn around time (RTAT), one of the "A" condition pool assets is removed from the pool and consumed into the higher assembly during the repair process.

(d) The failed component is then rendered serviceable through the CAV repair cycle and returned to the pool as "A" condition, "V" purpose code asset for future installation into the next higher assembly that is received for repair.

(e) Loaned assets are Government Furnished Equipment/Material, such as special tools and test equipment, held at the repair facility to assist during the repair process.

b. Skeletonized Reports of Discrepancy (ROD). RODs are used to reconcile MSC/ICP files and locate misdirected materials. The skeletonized ROD process in CAV II will be used to report the two most typical situations, mixed or erroneous material, and quantity differences. In addition to this transaction, a Standard Form (SF) 364 is to be completed immediately when an error is discovered.

c. Induction ("M" Condition Code). After posting receipt of assets, each item is to be reported as an induction utilizing the RCDN or contractor's reference number. If, as a result of the repair/upgrade the NIIN changes, this new NIIN will be identified when reporting the induction. The appropriate contractor records should be annotated with the new NIIN to avoid confusion when reporting later transactions. Most information will be carried forward from receipt. New information required by the contractor during the induction process includes: date inducted, estimated completion date, and new (output) NIIN (if different than the receipt NIIN).

d. Awaiting Piece Parts ("G" Condition Code). This transaction provides the contractor with the capability to report each occurrence that an asset's delivery is being delayed due to the fact that required piece parts for repair/upgrade are not available. The contractor will post the date and annotate a "C" if the part(s) are contractor furnished, "G" if the part(s) are Government furnished or "B" if the part(s) are due in from both contractor and Government sources. The NIIN and/or the part number of the part shortage can be noted in the remarks block. An "A" will be annotated if the delay in performance is due to administrative or contractual issues.

e. Reinduction of Assets ("M" Condition Code). This transaction allows the contractor to report the reinduction date and new estimated completion date (if changed) of a reparable that was delayed while awaiting piece parts.

f. DD Form 1348-1A. **A SHIPPING DOCUMENT MUST BE PREPARED ON THE CAV II SYSTEM FOR EACH UNIT BEING SHIPPED FROM THE FACILITY OR TO DISPOSAL, REGARDLESS OF DESTINATION. THE DD FORM 1348-1A WILL REPLACE THE DD Form 250 AS A SHIPPING DOCUMENT ONLY.** The DD Form 250 will still be prepared and distributed as usual with the exception of being used as a

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shipping document. **THE DD Form 250 WILL NOT ACCOMPANY SHIPPED MATERIAL, INSIDE OR OUTSIDE THE SHIPPING CONTAINER.** A sample DD Form 1348-1A is provided as enclosure 2. Distribution of 1348-1A:

(1) SINGLE UNIT - A copy of the DD Form 1348-1A will be attached to outside of shipping container. The remaining copies will be inside with the material.

(2) MULTIPAK - A copy of DD Form 1348-1A for each unit being shipped will be attached to the outside of multipak container. A copy of DD Form 1348-1A will be attached to outside of appropriate individual shipping container WITHIN THE MULTIPAK. The remaining copies of DD Form 1348-1A will be inside each individual container with the material. Multipaks must be clearly labeled as such on the outside of the shipping container.

NOTE: IN THE EVENT YOUR PRINTER IS INOPERABLE, DD FORMS 1348-1A WILL NEED TO BE TYPED MANUALLY. HOWEVER, THE REQUEST TO PRINT A DD FORM 1348-1A IN THE CAV II SYSTEM MUST STILL BE ACTIVATED IN ORDER FOR A PREPOSITIONED MATERIAL RECEIPT DOCUMENT (PMRD) TO BE GENERATED TO THE DEPOT FOR ADVANCED NOTIFICATION OF SHIPMENT. THE CONTRACTOR MAY THEN PROCEED WITH MANUAL PREPARATION OF THE DD FORMS 1348-1A. FORMATS FOR DD FORMS 1348-1A ARE PROVIDED AS ENCLOSURE 3.

g. Beyond Economical Repair (BER)/Maintenance Expenditure Limit (MEL) Notification. If after an item has been reported as received and it is determined that it is Beyond Economical Repair (BER) or beyond the Maintenance Expenditure Limit (MEL), a BER/MEL transaction will be processed. An item is considered BER/MEL if the cost to repair exceeds the MEL annotated in each contract. The contracting activity/MSC or its designated representative will advise if repair is to continue or if the item is to be condemned/disposed.

h. Survey/Scrap Request ("H" Condition Code). An item which is considered beyond repair should be reported using the Survey Request processing screen by posting the date of occurrence. Requests to condemn an asset can be requested prior to or during induction. The contracting activity/MSC or its designated representative will provide disposition instructions.

i. Completion/DD Form 250 ("A" Condition Code). Once a reparable has completed the repair process and is in serviceable condition, a Completion / DD Form 250 transaction will be processed. The only information required for contractor input is the date the DD Form 250 was signed and the DD Form 250 number. All other basic information continues to be carried forward.

j. Shipment. The shipment processing screens provide the capability to report a variety of different shipping transactions:

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(1) Shipment of repaired/serviceable material ("A" condition) to the Army Supply System or direct to the user; or shipment in place to the contractors storage facility.

(2) Shipment of scrapped/non-repaired ("H" condition) material to disposal and misdirected assets, PQDR exhibits, and warranted items ("J" condition) to the Army Supply System or other destination;

(3) Shipment of rotable pool/loaned and GFM, material shipped in place for contractor's use. This type of shipment will be directed by the owning wholesale activity/MSC and should be done using a document number other than the Contract Document Number. This new shipping document number must be included when reporting the shipment. Normally, the only information required to process a shipment is the date of actual shipment and Proof of Shipment (POS) information.

k. Proof of Shipment. This screen provides the contractor with the capability to provide complete shipping data to the MSC/ICP when shipment has actually been completed. The following information will be provided: mode of shipment, government bill of lading number (GBL), carrier name, and carrier address.

l. Transaction Reversals. All erroneous transactions must be corrected to maintain the integrity of the CAV II database. After providing either the RCDN or the contractor reference number, a window is provided displaying the current status of the item. After confirming that the reversal is to be made and the transaction has been posted, the status of the item will reverse to its most recent previous status. For auditing purposes, erroneous transactions must first be reversed and then reentered properly. CAV II will maintain a record of each of these detailed transactions.

4. Hardware/Software. Paragraphs 4a, 4b, and 4c below, are lists of hardware/software requirements to operate CAV II. With the exception of government furnished software, **the contractor is responsible to provide all the necessary software, hardware, and equipment maintenance/repairs to keep the equipment/system in good working order.** Systemic failures of contractor provided equipment will be resolved by the contractor within 48 hours.

a. Contractor Furnished Equipment and Software. **(MUST BE DEDICATED FOR CAV II USE ONLY AND MUST BE Y2K COMPATABLE)** in support of **DOS** Version 1.08C1:

(1) IBM compatible PC, 486 or higher with 3 1/2 inch disk drive, including (at a minimum): 16 MB RAM, 66MHZ or better, 540 MB hard drive.

(2) VGA Color Monitor.

(3) Mouse.

(4) External 28.8 Fax / Modem or better.

(5) Laser Printer (HP compatible PCL5 emulation) not accessed through a network (requires **DOS** 5.0 or greater).

(6) Colorado tape drive backup system and supporting **DOS** hardware and software are required (two tapes minimum).

(7) Surge protector.

(8) MS-**DOS** 6.2 or later. Note: CAV II software (1.08C1) will only run in a **DOS** environment (outside of Windows).

(9) PK Zip Package (latest **DOS** version).

(10) CAV II requires the contractor to provide a standard analog phone line dedicated for reporting purposes. This phone line cannot be connected through a company switchboard.

b. Contractor Furnished Hardware and Software for CAV II, **WEB** Version 1.10:

(1) Version 1.10 will operate as a standard WEB based application. When converted from the current **DOS** version of CAV II to the **WEB** version, the contractor will be required to provide:
- Netscape Browser 4.0 or greater.
- PC capable of running cited browser.
- Internet connection.
- Laser printer (HP compatible PCL5 emulation).

c. Government Furnished Software:

(1) The government will provide the current CAV II Version 1.08C1 software and BLAST communications software with necessary scripts.

(2) Jetform JFMERGE Software (required for **DOS** Version 1.08C1 only).

(3) Avery Laser Labels, #5164 (3 1/3" x 4"), in support of both **DOS** and **WEB** Implementation Processes.

d. Restrictions:

(1) **Changes to CAV II software are NOT AUTHORIZED.** The Government intends to continue improvements of CAV II throughout its operational life. The contractor will be notified prior to the release of any software enhancements.

(2) A modem link with hardware at the contractor's facility may be utilized as necessary to distribute program enhancements, resolve software problems, or access data files for research.

5. CAV II Security Requirements. Contractors utilizing Government owned software must comply with the following security guidelines:

a. Designate a Terminal Area Security Officer (TASO) in writing and submit a copy of this letter to the Procuring Contracting Officer (PCO). The TASO will be responsible for ensuring that the company complies with all security requirements as listed in this section.

b. Foreign nationals are not authorized access to Government ADP systems.

c. The contractor will complete the appropriate MSC security forms for all personnel having access to CAV II. The information will be provided to the PCO and Administrative Contracting Officer (ACO) prior to implementation of CAV II and will be updated prior to any changes in personnel.

d. Maintain a copy of TASO designation and List of Authorized Users to be presented upon request.

e. Challenge any unauthorized personnel attempting to utilize the terminals and report ADP security violations, suspected compromises of system passwords, or incidents to the PCO and ACO.

f. Ensure that all authorized terminal area personnel are familiar with the security requirements for the terminals.

g. Ensure that the terminals are utilized to process only data authorized to the user.

h. Report all unsolicited output.

i. Report all accidental unauthorized access to systems/files/data to the PCO and ACO for investigation.

6. Reconciliation Requirements. The Army is attempting to eliminate the requirement for contractors to submit Monthly Contract Repair Status Reports. Each MSC/ICP will be actively resolving CAV Observed Differences (COD) and tracking Stock-in-Transit (SIT) discrepancies. If the MSC/ICP does not possess the required information to

resolve cited differences, the contractor will be contacted for assistance. To support this effort, the contractor may be required to archive completed CAV II transactions quarterly and mail a floppy disk copy to the contracting activity.

Within six to twelve months after CAV II implementation at a contractor's facility, the appropriate Government personnel will review reporting performance. The formula for computing the contractor's error rate/COD is: the number of contractor errors divided by the total number of transactions (BZCs) sent to each MSC/ICP. Example:

(Contractor Errors) = 2% (.02) or less
(Total BZC Count)

Low error rates (less than 2 percent) and a pattern of consistent, timely and accurate reporting may justify waiver of Monthly Contract Repair Status Reports. All requests for waiver of Contract Repair Status Reports will be submitted to the PCO or data requirer. Each MSC/ICP will approve/disapprove cited requests based on contractor performance. Failure to maintain performance will result in a re-establishment of the requirement to provide Monthly Repair Status Reports.

CAV II provides eleven separate inquiry options (a. through h.) and utility functions (i. through k.) to assist the contractor.

    a. Display/Modify data for specific RCDN.

    b. Display data by Contractor Reference Number.

    c. General History File Inquiry.

    d. Active File Inquiry.

    e. Inventory Count by Condition Code.

    f. Active File Inquiry by Order Number.

    g. Proof of Shipment Information.

    h. Condition Code "G" History.

    i. History File Maintenance.

    j. Backup CAV II data to diskette and tape.

    k. Reindex files.

7. <u>CAV II Implementation Procedure</u>:

a. Determine the total number of assets on hand by condition code ("F", "H", "M", "A", and "J"). This quantity should be obtained from the accountable inventory records.

b. A receipt will be processed for the total quantity of reparables in "F", "M", "H", and "A" condition for each NIIN by each contract. A separate receipt will be processed for the total quantity of assets in "J" condition for each NIIN. The receipts will be processed using the implementation data provided by MSC/ICP. A list of implementation receipts will be provided to the Contract Administration Office (CAO) Property Administrator (PA). Implementation receipt transaction highlights are listed in enclosure 4.

c. Each receipt will generate MMD/MLs equal to the quantity entered into the receipt processing screen.

d. LOCATE EACH ASSET ON HAND AND ATTACH CORRESPONDING MMD/ML TO EACH ASSET. For items in other than "F" condition, attach MMD/ML and record the required information as indicated in enclosure 5. Results of the survey and implementation receipts will be reviewed by the PA. Differences will be resolved to the satisfaction of the PA and/or the procuring activity. If the inventory records need to be adjusted to bring them into agreement with the survey, this will be accomplished by the contractor and the PA with no effect on CAV II. If changes to the implementation receipt transaction are required, increases will be processed as new implementation receipts and decreases will be processed as a reversal to the original receipt transaction. Neither of these adjustments to the implementation transactions are authorized unless directed by the MSC/ICP and the MSC/ICP will be notified of all inventory discrepancies and corrective action taken. CAV II detail records will allow each MSC/ICP to monitor adjustments.

e. Enter transactions to reflect the actual condition code of inventoried assets. For example, an item in work/production ("M" condition) must be first reported as a receipt and then reported as an induction. Completed/repaired items ("A" condition) must be reported as receipts, then inductions, and then completions.

f. Once the CAV II database has been updated to reflect actual status of assets held, use inquiry Option #5 to print an Inventory Count by Condition Code. Also print the General Active File for all RCDNs utilizing inquiry Option #4. These printouts will be used by Defense Plant Representative Office (DPRO)/ Defense Contract Management Administration Office (DCMAO) PA to ensure all transactions are input and processed accurately.

g. Excluding unusual circumstances, the CAV II Implementation Process is only performed once following the initial contract award. It is not intended that this

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Implementation Process be applicable during renewed/follow-on and extended contract periods of performance.

8. Reporting. **Reporting new transactions to each MSC/ICP is required each day,** providing there has been new activity, such as receipts, inductions, awaiting piece parts, reinductions, scrap, completions, shipments, or any other condition code change. **Transmission of new data will occur the same day the CAV II system has been updated.** If three consecutive days of unsuccessful transmissions occur, notify the PCO or MSC POC immediately.

9. Training. Training of contractor personnel will be provided at the onset of implementation. **The contractor is responsible for training additional data entry personnel to the extent necessary to maintain accurate input and timely transmission of data to the government.** In the event questions occur, contact the MSC/ICP POC for clarification and reassurance to avoid incorrect data entry and contractor errors.

10. **IF YOU EXPERIENCE ANY SOFTWARE PROBLEMS, NOTIFY THE PCO IMMEDIATELY.**

ADDENDUM I
STORAGE INSTRUCTIONS

1. The contractor shall also be the storage depot for
spares. After repair has been completed, the contractor
will ship in place the asset and wait for instructions from
TACOM-RI as to where to ship the asset.

2. The contractor shall store hardware produced, inspected
and accepted by the contractor for all TACOM-RI commodities
produced, supplied, and repaired in the contractor
repair/manufacturing facility. Period of performance will
be four years to commence 1 Jul 99.

3. Contractor shall ensure that all materials are kept
clean and are properly stored and handled to avoid damage
prior to use. Contractor shall ensure that material
already stored as part of this contract are issued on a
first in/first out basis.

4. The facilities shall provide for protection and
security commensurate with the level of packaging,
preservation, and pilferability of the items to be stored.
The contractor shall be held liable and bears the risk of
loss for any materials damaged due to improper handling,
storage, and/or pilfering. Damage and/or pilfered reports
shall be coordinated through TACOM-RI, AMSTA-LC-CFSE, Rock
Island, IL 61299-7630.

CERTIFICATE OF CURRENT COST OR PRICING DATA

This is to certify that, to the best of my knowledge and belief, cost or pricing data submitted, either actually or by specific identification in writing (see FAR 15.804-2(B)), to the Contracting Officer or his representative for the Implementation of Commercial Asset Visibility, Phase II (CAV II) are accurate, complete and current as of   .

This certificate includes the cost or pricing data supporting any advance agreements and forward pricing rate agreements between the offeror and the Government that are part of the proposal. (Solicitation DAAE20-99-R-0177).

FIRM: Seiler Instrument & Manufacturing Company, Inc.

SIGNATURE: _____

NAME: _____

TITLE: _____

DATE: _____